

Effect of Product Placement in Social Media on Consumer Behaviour: Evidence from Saudi Arabia Fashion Industry.

INTRODUCTION

Nowadays, it is widely acknowledged that social media is dominating the digital world. For example, Facebook and Twitter alone boast over 400 and 275 million users, respectively (www.statista.com), and continue to grow at an alarming rate (Nixon, 2011). Within this context of media proliferation and fragmentation, marketers and practitioners are confronted with intense challenges with regard to communicating their market offerings to the diverse blinkered media consumers, who, thanks to the technological advancements, possess the power to hop, pause and skip through channels when commercials and ads seem boring and irrelevant (Lee and Faber, 2007; Kiley, 2006). This challenge, coupled with the growing decline in efficacy of traditional mediums of advertisement (Colliander and Dahle', 2011), has led marketers to adopt "Product placement" as an integrated marketing communication strategy (Storm and Stoller, 2015; Mackay, Ewing, Newton and Windisch, 2009).

Product placement, according to Balasubramanian (1994, p.21), "is a combination of advertising and publicity designed to influence the audience by unobtrusively inserting branded products in entertainment programs such that the viewer is unlikely to be aware of the persuasive intent." Or simply put, the act of "Placing a brand in media content to affect consumer behavior" (Newell, Salmon, and Chang, 2006, p.12). A typical example of Product placement is when a brand is subtly or unsubtly displayed in a movie, television show, book or social media platform. This marketing communication strategy has proliferated in recent years as marketers tend to employ a number of communication channels to reach and influence consumers (Storm and Stoller, 2015). Research has shown that product placement can generate positive image and association toward a placed brand (Russell and Stern, 2006), promote visibility and awareness, enhance consumer brand memory (Williams et al., 2011), alter consumer evaluation, and influence consumers buying behavior (Kit and P'ng, 2014).

Despite these significances and the proliferating popularity of Product placement as a lucrative marketing communication tool to reach and influence consumers, research on the phenomenon is still scant and remain underexplored (e.g. Storm and Stoller, 2015; van Reijmersdal, Neijens, and Smit, 2009; Williams et al., 2011). Even to date, the preponderance of the studies on Product placement has been conducted in the context of movie & film, video games, and television (Kit and P'ng, 2014; Auty and Lewis 2004; Balasubramanian, Karrh, and Patwardhan, 2006; Mandese 2004; La Ferle and Edwards 2006; Law and Braun 2000; McKechnie and Zhou 2003) and text (e.g. Storm and Stoller, 2015). As well, the few studies done on the impact of product placement in television shows and movies on consumer attitude have produced mixed results, with some reporting negative relationship (e.g. Kit and P'ng, 2014; van Reijmersdal, Neijens, and Smith, 2009; Yang and Roskos-Edwoldsen, 2007), weak relationship (e.g. Brann, 2008), and negative association (e.g. Weaver, 2006; Flandez, 2009).

Surprisingly, little is known about the effect of product placement in social media on consumer behavior (e.g. Colliander and Dahle'n, 2011; Colliander and Erlandsson, 2015). This contextual gap is shocking given the fact that practice is progressively becoming widespread as advertising purchased on user-generated and social networking sites continue to grow (Helft and Stone, 2010), with a lot of consumers using the internet daily to search for information about what to buy. Worse still, the majority of the studies done on Product placement were carried out in the advanced world like US, UK, Germany, Canada (e.g. Storm and Stoller, 2015), with limited attention to emerging economies like Saudi Arabia, which boasts 30 million social media users and internet penetration rate of 91% (www.globalmediainsight.com). This research project finds its motivation in the interaction of the two emerging trends—Social media and Product placement, and therefore, seeks to explore if Product Placement in the social media influences consumers' buying behavior.

Research Objectives

The main purpose of this study is to examine the effect of Product placement in social media on consumer behavior. The specific objectives of the study are to:

1. Examine the impact of product placement in social media on consumer brand memory
2. Investigate the impact of product placement in social media on consumer brand attitude
3. Examine the impact of product placement in social media on consumer purchase intention.

Research Questions

The main research questions to be tested are stated below:

1. What is the impact of Product Placement in social media on consumer brand memory?
2. What is the effect of Product placement in social media on consumer brand attitude?
3. What is the effect of Product placement in social media on consumer purchase intention?

Significance of the Study

This study is expected to proffer substantial contributions to literature along three strands: Academic/research, managerial, and policy. First and foremost, this study contributes to the contextual gaps in the product placement and media marketing literature, as one of the rare studies that explore the effect of product placement in social media on consumer behavior (brand memory, brand attitude, and purchase intention). As stated before, to date, little is known about how product placement in social media impacts consumer behavior in emerging economies. The study will enhance literature by extending the Knowledge Persuasion Model to two emerging phenomena—social media marketing and product placement. The outcome of the study is also envisaged to contribute to methodological aspects of product placement and social media marketing research through the employment of Structural Equation Model-Partial Least Square (SEM-PLS) for analysis of data. From practical point of view, the outcome of the study will expose managers and practitioners in the fashion industry to the attitude of consumers toward product or brand placed in the social media, which in turn, will enable them to craft captivating and innovative marketing strategy for effective and efficient product placement in the social media to influence consumer's behaviour. It is also expected that the findings will help marketers in general to enhance their social media brand management decisions, and guide them in the prioritization their social media marketing considerations. Lastly, with regard to policy contribution of the study, product placement in social media is recognized as a marketing and growth strategy that offers investment and employment opportunities and contributes to Gross Domestic Product (GDP) significantly. Thus, the study's result will encourage policymakers to develop policies and initiatives that will promote the flexible use of social media for marketing purposes to support such growth strategies of firms. Extensively, this study will be of a great benefit to a variety of disciplines such as education, industries, and all organizations that aim to employ social media for their product and brand placement.

LITERATURE REVIEW

Product placement is gaining prominence in recent years, with the growth of digital technologies, as the novel advertising avenue for marketers (Storm and Stoller, 2015; Chang, 2012; Williams et al., 2011). Research has, however, shown that Product placement is old wine in a new bottle (Newell, Salmon, and Chang, 2006). It has been argued that before the term "product placement" became the marketing term in the late '90s, such terms as "exploitation", tie-ups, and tie-ins" advertisings, where the actor endorses a brand or product on-screen-or off-screen or both, were frequently used to denote product placement (Newell, Salmon, and Chang, 2006). Product placement, which is the act of placing a product/brand in media content, can enhance brand/product visibility, awareness, consumer memory, which in turn, influences consumer behavior/attitude and purchase intention (Storm and Stoller, 2015; Kit and P'ng, 2014). Consumer behavior can be defined as how a consumer searches for purchase information, when he/she buys a product, how she/he utilizes it, his/her post-purchase evaluation, and how he/she classifies products to satisfy his/her want (Leslie and Leon, 2009). Research has shown that consumer behavior is rooted in the consumer's purchase decision-making, which entails 1) Need recognition; 2) information search through internal and external sources; 3) evaluation of alternative sources of information about product/brand; 4) decision to buy; 5) post-purchase evaluate (Belch and Belch, 2012).

The growing technological and digital advancements of the world has led consumers to find new means to avoid the traditional forms of advertisement like television, radio, billboard etc. (Storm and Stoller, 2015), and to resort to the social media for on-demand and quick access to information at their own convenience for making purchase decision (Vollmer & Precourt, 2008). Alhaddad (2015) noted that one fascinating characteristic of the social media is that it has grown to become a marketing communication tool for marketers, and a new hybrid element of the promotion mix (Mangold & Faulds, 2009). Social media network sites like Facebook, Twitter, Instagram, YouTube, Snapchat, Blogs—to mention but few, are being used for marketing in numerous ways today. Despite the proliferating popularity of social media as the hybrid marketing tool, academic studies on the phenomenon in its relation to product placement remains underexplored (Nixon, 2011).

Earlier studies on product placement considered such subjects as modality (e.g. Rusell, 2002; Law and Braun, 2000), type of program (e.g. Roehem, Roehem, and Boone, 2004; d'Astous and Seguin, 1999), congruity with the plot (e.g. Rusell, 2002), and placement prominence (Auty and Lewis, 2004; Bhatnagar, Aksoy, and Malkoc, 2004). Recent studies like (Storm and Stoller, 2015; Kit and P'ng, 2014) have sought to examine how effective and efficient is product placement in influencing consumer responses. Surprisingly, these studies were conducted to explore the effectiveness of product placement in television shows and movies and text (books, journals), with limited attention the product placement in the social media (Flandez, 2009). Research has shown that product placement can influence consumer behavior in terms of brand memory, brand attitude, and purchase intention (e.g. van Reijmersdal, Neijens, and Smith, 2009). Scholars have argued that a placed product or brand can be bettered recalled or remembered than non-placed products (Romaniuk, 2009; Gupta and Gould, 2007; Ong and Meri, 1994). Notwithstanding, some studies also show that placing a product or brand in a media content does not necessarily mean a consumer will recall during a time of purchase (Brann, 2008). It is

against this contextual gap coupled with the limited studies of product placement and brand memory in the social media that this project seeks to examine the impact of product placement on brand memory in Saudi Arabia, as the first objective.

Literature also highlights that product placement can positively enhance consumer brand attitude (e.g. Kit and P'ng, 2014; Cowley and Barron, 2008). However, studies by Weaver (2006) and Flandez (2009) noted that product placement can lead to a negative evaluation of brand and that marketers need to handle product placement carefully so that it does not engender adverse reaction. To date, these conflicting results have not been fully explored in the academic literature, particularly in the social media context. Other studies also report weak and no change of brand attitude (e.g. Balasubramanian, Karrh, Patwardhan, 2006). Thus, the second objective of this research project, which aims to examine the impact of product placement on brand attitude, would make a substantial contribution to knowledge and practice toward this end. The question of whether product placement influences consumer purchase intention has also generated mixed results. Research by Kit and P'ng (2014) and Homer (2009), for instance, show that impact of product placement on purchase intention depends on the attractive and realistic nature of the product, while other studies like (Auty and Lewis, 2004; Law and Braun, 2000; Yang and Roskos-Edwoldsen, 2007), disclose that product placement can meaningful influence purchase decision. Thus, the third objective of the study, which seeks to examine the influence of product placement on consumer purchase intention, will make a significant contribution toward this end, as the existing results are mixed.

Theoretical Framework

This study would employ the Knowledge Persuasion Model as a theoretical foundation. The theory is premised on the assumption that consumers develop knowledge about a persuading actor's efforts to influence them and mechanisms for coping with them (Friestad and Wright, 1994). According to the theory, the mere presence of an ad's message is sufficient to provoke knowledge (Ahluwalia and Burnkrant, 2004), which can influence the consumer's behavior and attitude toward an object. This theory would be used as the theoretical bedrock of this project to examine product placement and consumer behavior in social media as it explains how consumers interpret and cope with marketer's advertising and selling attempts to influence them. The theory will thus offer useful insights about how consumers interpret a placed product or brand in social media.

METHODOLOGY

The project will employ a quantitative research approach to examine the effect of product placement on consumer behavior in the fashion industry in Saudi Arabia. Saudi Arabia provides an appropriate context to examine product placement and social media and consumer behavior in emerging economies for the following reasons. First, Saudi Arabia is a context where studies on the phenomenon is completely missing; second, the country has shown promising presence in the social media with nearly about 30 million users and 91% internet penetration rate; thirdly, the fashion industry in Saudi Arabia represents a major contributor to the GDP of the country and appears to be very present on social media. The fashion industry is chosen as the product category because it is a prevalent topic in the blogosphere and the usage of product placement is popular on fashion blogs in recent days (Joshi, 2009). The study areas will include Riyadh, the capital and most populous city in Saudi Arabia, with a population of 5, 188, 000 (Population census, 2010).

Of this population, a simple random and convenience sampling approaches will be used to select 1460 inhabitants, who are present on social media, as respondents of the study. The simple random sampling method will be used to afford each member of the population an equal chance of participation in the study while the convenience sampling will be used to select the respondent who will be available and willing to respond to the questionnaire of the study (Engstrom and Saheli-Sangari (2007). Thus, the respondents will be the general public. The study will use quantitative research approach through structured questionnaire since scholars have advocated that quantitative research is appropriate for studies that aim to quantify information for statistical analysis and hypothesis testing purposes (Tull and Hawkins, 1990).

This approach is deemed appropriate for this study as the study aims to examine the influence of product placement in social media on consumer behavior by testing hypotheses of the study to establish the relationship (if any) between independent and dependent variables. The data collection will involve travel and field work as the researcher will have to travel to Saudi Arabia for the data collection. Data that will be generated from the survey questionnaire will be analyzed through the use of Structural Equation Model-Partial Least Square (SEM-PLS), as previous studies on the phenomenon have used other statistical tools like SPSS in their statistical analysis and interpretations. Because human ethics form part of any scientific research, the researcher will strictly adhere to ethics and code of conduct in international research. The researcher will discuss the objectives and content of the study with the respondents before their opinions will be solicited. Voluntary participation will be encouraged with no recourse to pressure or intimidation to solicit for views from respondents. As well, names and contacts of respondents will be held anonymous. The limitations of the study are envisaged to emanate from proximity for ease of data administration and collection, financial, and time constraints.

RESEARCH TIMELINE

The researcher will follow the following research timeline since the programme is for three years.

First Year Course work. Development of the research problem. Literature search, literature review, and theoretical framework development. Preparation of detailed research proposal. Confirmation presentation. Confirmation of Candidature.
Second Year Ethics approval. Literature review (cont'd). Development of research design. Organizing access for data collection. Development of research instruments. Fieldwork and data collection. Preliminary data analysis.
Third Year Completion of data analysis and interpretation of findings. Production of draft versions of the thesis. Completion of final version of the thesis. Thesis submission.

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